

MS-DRGs and other IPPS Issues

CMS Staff Briefing

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RAND Evaluations

- Evaluated four severity systems -
 - 3M/HIS – CMS + AP-DRG, CS DRGs
 - Health Systems Consultants – HSC-DRGs
 - HSS/Ingenix – MM-APS-DRGs
 - Solucient – Sol-DRGs
- Added MS-DRGs
- RAND report – all had strengths and weaknesses
- Report
<http://www.cms.hhs.gov/Reports/Reports/itemdetail.asp?itemID=CMS1197292>

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Development of MS-DRGs

- Broad based analysis of entire DRG system to better capture severity
- Major steps
 - Update Complication/Comorbidity (CC) list
 - Consolidate DRGs into new base DRGs
 - Subdivide base DRGs into 3 severity levels
 - Major Complication/Comorbidity (MCC)
 - Complication/Comorbidity (MCC)
 - Non CC

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MS-DRGs

- Increased DRGs by 207
 - CMS DRGs – 538
 - MS-DRGs 745
- CMS DRGs –
 - 78% CC, 22% non CC
 - Ave Charges- CC \$24,538, non CC \$14,795
- MS-DRGs –
 - 22% MCC, 37% CC, 41% non CC
 - Ave Charges- MCC \$44,219, CC \$24,115, non CC \$18,416

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Hospital-acquired conditions

Section 5001(c) of Deficit Reduction Act (DRA) requires Secretary to select at least two conditions by 10/1/07 that are:

- 1). High cost or high volume or both
- 2). Assigned to a higher paying DRG when present as a secondary diagnosis
- 3). Reasonable preventable through application of evidence based guidelines

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8 Hospital-acquired conditions (HACs) for 10/1/08 implementation

1. Serious preventable event – object left in surgery
2. Serious preventable event - air embolism
3. Serious preventable event- blood incompatibility
4. Catheter associated urinary tract infection
5. Pressure ulcers
6. Vascular catheter associated infection
7. Surgical site infection – Mediastinitis after heart bypass
8. Falls – specific trauma codes

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Hospital-acquired conditions

- 3 Additional HAC possibilities for 10/1/08
 - Ventilator associated pneumonia
 - Staphylococcus aureus septicemia
 - Deep vein thrombosis (DVT) and pulmonary embolism (PE)
- Continue to examine other areas
 - Clostridium Difficile-Associated Disease (CDAD)
 - Methicillin-Resistant Staphylococcus Aureus (MRSA),

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Additional information

- IPPS final rule -
<http://www.cms.hhs.gov/quarterlyproviderupdates/downloads/cms1533fc.pdf>
 - Hospital acquired conditions – page 47200
- Hospital Acquired conditions -
<http://www.cms.hhs.gov/HospitalAcqCond/>

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